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7 UNITED STATES  
8 DEPARTMENT OF THE INTERIOR  
9 BUREAU OF RECLAMATION  
10 Central Valley Project, California

11 INTERIM RENEWAL CONTRACT BETWEEN THE UNITED STATES  
12 AND  
13 CITY OF SHASTA LAKE  
14 PROVIDING FOR PROJECT WATER SERVICE

15 THIS CONTRACT, made this 27<sup>th</sup> day of February, 2004, in  
16 pursuance generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory or  
17 supplementary thereto, including, but not limited to, the acts of August 26, 1937 (50 Stat. 844), as  
18 amended and supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented, July 2,  
19 1956 (70 Stat. 483), June 21, 1963 (77 Stat. 68), October 12, 1982 (96 Stat. 1263), as amended and  
20 Title XXXIV of the Act of October 30, 1992 (106 Stat. 4706), all collectively hereinafter referred to  
21 as Federal Reclamation law, between THE UNITED STATES OF AMERICA, hereinafter referred to  
22 as the United States, and CITY OF SHASTA LAKE, hereinafter referred to as the Contractor, a  
23 public agency of the State of California, duly organized, existing, and acting pursuant to the laws  
24 thereof, with its principal place of business in Shasta Lake, California;

25 WITNESSETH, That:

26 EXPLANATORY RECITALS

27 WHEREAS, the United States and the Contractor entered into an interim renewal  
28 contract identified as Contract No. 4-07-20-W1134-IR7, hereinafter referred to as the Interim  
29 Renewal Contract, which provided for the continued water service to the Contractor following  
30 expiration of Contract No. 4-07-20-W1134; and

31               WHEREAS, the United States and the Contractor have entered into successive renewals  
32 of the Interim Renewal Contract, the most recent of which is Contract No. 4-07-20-W1134-IR9,  
33 hereinafter referred to as the Existing Interim Renewal Contract from March 1, 2003, through February  
34 29, 2004; and               WHEREAS, the United States and the Contractor have made significant progress  
35 in their negotiations of a long-term renewal contract, believe that further negotiations on the long-term  
36 renewal contract would be beneficial, and mutually commit to continue to negotiate to seek to reach  
37 agreement, but anticipate that the environmental documentation necessary for execution of any long-  
38 term renewal contract will be delayed at least an additional 7 months, and may be delayed further for  
39 reasons beyond the control of the parties; and

40               WHEREAS, the Contractor has requested a subsequent interim renewal contract pursuant  
41 to Subdivision (b)(1) of Article 2 of the Interim Renewal Contract and Article 1 of the Existing Interim  
42 Renewal Contract including the restoration of the maximum amount of water that was previously  
43 available under long-term contracts for use in the Contractor's service area; and

44               WHEREAS, the United States has determined that the Contractor has to date fulfilled all  
45 of its obligations under the Existing Interim Renewal Contract; and

46               WHEREAS, the United States is willing to renew the Existing Interim Renewal Contract  
47 and incorporate in that contract the maximum amount of water that was previously available under  
48 long-term contracts for use in the Contractor's service area pursuant to the terms and conditions set forth  
49 below;

50               NOW, THEREFORE, in consideration of the mutual and dependent covenants herein  
51 contained, it is hereby mutually agreed by the parties hereto as follows:

52            INCORPORATION AND REVISION OF EXISTING INTERIM RENEWAL CONTRACT

53            1.        The terms and conditions of the Existing Interim Renewal Contract are hereby  
54 incorporated by reference into this Contract with the same force and effect as if they were included in  
55 full text with the exception of Article 1 thereof, which is revised as follows:

56                    (a)        The first sentence in Subdivision (a) of Article 1 of the Existing Interim  
57 Renewal Contract is modified as follows: “This interim renewal contract shall be effective from  
58 March 1, 2004, and shall remain in effect through February 28, 2006, and thereafter will be renewed as  
59 described in Subdivision (a) of Article 2 of the Interim Renewal Contract if a long-term renewal contract  
60 has not been executed with an effective commencement date of March 1, 2006; Provided, that if a long-  
61 term renewal contract has been executed with an effective commencement date of March 1, 2005, this  
62 interim renewal contract shall expire on February 28, 2005.”

63                    (b)        Subdivision (b) of Article 1 of the Existing Interim Renewal Contract is  
64 amended by deleting the date “February 15, 2004,” and replacing same with the date  
65 “February 15, 2006.”

66                    (c)        Subdivision (c) of Article 1 of the Existing Interim Renewal Contract is  
67 amended by deleting the dates “February 1, 2004,” “February 15, 2004,” and “February 29, 2004,” and  
68 replacing same with the dates “February 1, 2006,” “February 15, 2006,” and “February 28, 2006,”  
69 respectively.

70                    (d)        The first and second sentences of Subdivision (a) of Article 3 of Interim Renewal  
71 Contract No. 4-07-20-W1134-IR7, dated February 28, 2001, are replaced with the following: “Subject  
72 to the provisions set forth in Articles 10 and 11 hereof, and consistent with applicable State water rights,  
73 permits, and licenses, the Contractor is entitled to, and the Contracting Officer shall be obligated to  
74 make available to the Contractor up to 4,400 acre-feet of Project Water for municipal and industrial  
75 purposes during the term of this interim renewal contract.”

76 IN WITNESS WHEREOF, the parties hereto have executed this interim renewal contract  
77 as of the day and year first above written.

78 THE UNITED STATES OF AMERICA

APPROVED AS TO LEGAL  
FORM AND SUFFICIENCY

*/s/ James E. Turner*

79 OFFICE OF REGIONAL SOLICITOR  
80 DEPARTMENT OF THE INTERIOR

By: /s/ Kirk C. Rodgers  
Regional Director, Mid-Pacific Region  
Bureau of Reclamation

82 (SEAL)

83 CITY OF SHASTA LAKE

84 By: /s/ Debra Duryee  
85 City Manager

86 Attest:

87 /s/ Rae Morrow  
City Clerk